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”Challenges of CDM project development in the Balkan”

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“Challenges of CDM Project Development in the Balkan”

Review of the book Montini, Massimiliano (ed., 2010): *Developing CDM projects in the Western Balkans*, Springer, Dordrecht

By Axel Michaelowa*

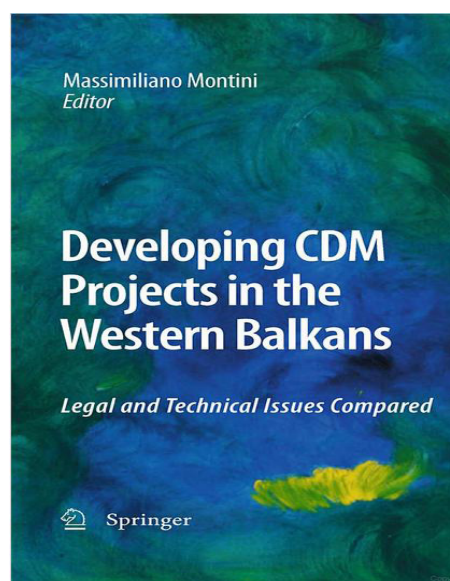
The Balkan region is normally not considered as a key player in the CDM world. Nevertheless, Italy has displayed a keen interest in providing capacity building and technical assistance to this region, probably due to historical and existing economic ties. Montini, a law professor at the University of Siena, brings together experiences from process, covering Albania, Macedonia, Montenegro and Serbia. While capacity building in Serbia already started in 2002, the other countries came on board in 2004/5. DNAs mainly became operational in 2008.

The first part of the book on legal issues related to the CDM consists of two sections. The first one provides three chapters on the Kyoto Protocol, experiences with the CDM and contractual issues regarding CDM projects. Chapter 1 contains an interesting history of Italian climate policy that includes references to all relevant legal texts that can be rarely found in non-Italian literature. Chapter 3 provides a good overview about the critical issues in CDM contracts and nicely differentiates the different project types.

The second section describes the setup of CDM approval authorities in the target countries. After an introductory chapter on the design of a Designated National Authority (DNA), for each host country the setup of the DNA is described. Chapter 4 describes the different possible setups of a DNAs with their pros and cons in an austere bullet style. A discussion of the DNA setup in nine host countries around the world follows; this could have elaborated a bit more about the actual performance of each DNA. Chapter 5 on Albania shows that it took three years to set up the DNA. Albania uses a quantitative weighting for the different sustainability criteria. Macedonia was faster, taking two years. As chapter 7 describes, DNA setup in Montenegro was complicated by the country's independence from Serbia. Initially, a joint DNA for Serbia and Montenegro had been envisaged. Generally, DNAs have a two body structure with a high-level body and a working group/secretariat below.

The second part of the book discusses project potential and experience. Its first two chapters describe the CDM project cycle and discuss the theoretical CDM potential, while the following four chapters discuss project experience in each host country. Chapter 10 on the potential unfortunately only provides the final estimates, totalling 13 million annual CERs for the region, without explaining the underlying assumptions. Albania mainly features hydropower and forestry potential. Macedonia has a high share of energy efficiency. Montenegro has achieved energy efficiency improvement in the steel industry and PFC reduction in aluminium production, whereas Serbia has high biomass power potential. Unfortunately, the structure of the potential estimates varies substantially among countries so comparability seems limited. In Montenegro, projects have been tendered, whereas in other countries development seems to be more bottom-up.

Anyone interested in CDM in the Western Balkans will find a range of interesting information in Montini's book.



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